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NWT Tourism – The 2006 Challenge

Towards a Tourism Strategy

ROLLING DRAFT FOR DISCUSSION

Executive Summary

NWT Tourism--The 2006 Challenge

NWT Tourism -- The 2006 Challenge provides guidance to stakeholders involved in the tourism sector so they can work collectively on making tourism a stronger economic and social force in the Northwest Territories.

Tourism across Canada is a growth industry. Each year, since the 1990's, the number of tourists visiting Canada has increased and as a result, most of the provinces and territories have invested heavily into tourism. Tourism expenditures in the Northwest Territories (NWT), however, have declined in the last decade, and the NWT has not seen the same degree of growth. In fact, in some years, it has declined. The weakening of federal support since the conclusion of the Canada/NWT Economic Development Agreement has made it even more difficult for the NWT tourism sector to reach its full potential.

Tourism is worth investing in. The NWT has many of the characteristics today's tourist is seeking: a variety of cultures and people, pure wilderness, a network of fresh water lakes and rivers, scenic and diverse landscapes, the novelty of diamonds, the allure of the aurora, and the exotic appeal of the North.

By themselves, however, these features are not enough to compete on an international – or even national -- scale. Work must be done on a number of fronts if we are to reverse current visitation trends to the NWT. Tourism is a mix of elements, all interrelating. Planning has to consider each of them and development undertaken over several years. Strengthening attractions, services, information and promotion, transportation and communications, planning and regulations, as well as research and evaluation, are all necessary.

First, we have to recognize the challenges to tourism growth in the NWT:

- dilution of our image within Canada and abroad following the division of the Northwest Territories
- limited numbers of vacation packages and market-ready tourism products
- lack of good infrastructure and quality services across the territory
- reduced marketing efforts due to reduced budgets
- difficult access to some areas
- outdated legislation
- high costs associated with the North
- short summer season

Quantitative goals for the 2001-2006 tourism strategy over the next five years are to:

- raise tourism numbers from 35,000 to 42,000
- raise tourism spending from $31 million to $40 million
- increase tourism related employment from 229 to 300 full-time equivalent jobs.

Its qualitative goals are to:

- build a strong brand image for a new NWT
- maintain and build partnerships
- revitalize tourism training
- support new products in each region
- support Aboriginal / cultural tourism
- tap into new markets in Europe and Asia

The various groups who play a role in the tourism sector can collectively take the new Northwest Territories' tourism strategy forward by building annual action plans around key recommendations:

- improve the number, quality and diversity of attractions across the regions
- develop the service base across the regions and communities through training, encouragement and support
- develop a strong NWT image in the tourism marketplace
- promote a strengthened NWT image to targeted markets in a coordinated effort
- improve and extend the road system
- expand the network of air routes
- revise legislation and regulations
- improve coordination between the regions
- seek new funding sources to increase financial resources for tourism development
- improve tourism research

To reach these goals and launch these new initiatives, we will need additional resources to take tourism from where it is today to where it could be in five years. One way to raise the necessary investments is through the proposed Hotel Tax, and internal reallocations into the Department of Resources, Wildlife and Economic Development's overall budget, as well as through new and creative partnerships between governments, Aboriginal groups and tourism operators.

This draft strategy will benefit from further input from organizations, operators and the general public. The result can be a new direction for a new territory in a new century.

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Tourism in the NWT: Starting Points

The Northwest Territories: A Rich Base for Tourism

Tourism is the largest and fastest growing industry worldwide. Increasingly, people are travelling to other places to learn about and experience new environments, cultures, and recreational activities. The tourism sector generated over 50 billion dollars in revenues in Canada in 1999, and is expected to generate two trillion dollars globally by 2020.

Where does the Northwest Territories (NWT) fit in this picture? Tourism is an important part of the NWT economy that generates more revenue today than all other renewable resource industries combined – and there is significant potential for growth.

In a world where it is becoming harder to find open spaces, untouched land and pristine waterways, the NWT can be the ideal destination for today's tourists, many of whom are interested in ecotourism, adventure, and cultural tourism. As well, the NWT is home to world class trophy hunting and fishing.

Tourism in the NWT brings in more revenue today than all other renewable resource industries

The NWT faces competition from other northern places such as the Yukon, Alaska, Finland and Norway, but it has many aspects that are unique and that can set it apart. It is a land that is animated with wildlife, culture, history and legends, the Aurora Borealis and the midnight sun.

Its people are diverse with rich cultural traditions and lifestyles closely connected to the land. Its waterways form an immense network of lakes and rivers, from the mighty Mackenzie River to the tumbling rapids of the Slave River to the vast braided delta of the Beaufort Sea. Its land is a mosaic of different landscapes from Arctic shoreline to the high peaks of the Mackenzie Mountains to the salt river flats of the northern prairie.

Like a diamond in the rough, the Northwest Territories has quality, authenticity, and purity--all qualities of tremendous value if developed and enhanced.

Setting a Common Direction

Opportunities for tourism exist in every community and region in the NWT. Tourism is an industry that complements northern culture, is sustainable and can use both traditional and contemporary skills.

The possible rewards are many. Tourism can benefit not only individual Northerners working in the tourism industry, but the NWT economy in general. It provides an excellent environment to encourage and preserve traditional cultural skills, and for increased sales of arts and crafts and country foods.

There is significant potential here, but a lot of work to do to realize it. We can best advance tourism in the NWT if we plan together and collectively decide on a direction, address problems, identify solutions, and build upon opportunities.

A Draft Tourism Strategy for the NWT:
A Framework for Discussion

This "framework" document is a starting point for setting a direction for the next five years. Its overview of tourism facts and issues, opportunities and recommendations are meant to provide context, raise questions, encourage opinions, and stimulate other ideas. The final product will be a new tourism strategy for the NWT to provide balanced direction and a framework for action.

As a companion document to this strategy, an annual "Action Steps" overview, starting in 2000-2001, will detail specific actions for the year undertaken by the Department of Resources, Wildlife and Economic Development (RWED).

WHY DO WE NEED A TOURISM STRATEGY?

A tourism strategy is a plan to set and achieve certain objectives. The last NWT Tourism Strategy was done in 1990 and it is time to do a new one. With the recent division of the Northwest Territories, it is a good time to redefine the NWT and focus on what we have to offer in our territory.

Most important of all, we need to organize ourselves with a clear vision, to attract investment from both the private and public sector so that our tourism industry can grow. The NWT tourism industry is highly decentralized, with many players having different roles. A tourism strategy can provide guidance to the groups involved, so that they can work collectively. By working together, we can also work more effectively with the Canadian Tourism Commission to better take advantage of national marketing programs.

A tourism strategy will help Northerners increasingly benefit from tourism in the NWT. It can guide organizations' efforts to improve services and attractions and bring more visitors to the NWT. Finally, a tourism strategy will outline principles for tourism to develop sustainably, and compatibly with environmental, social and cultural aspirations held by Northerners.

WHAT SHOULD A TOURISM STRATEGY ACCOMPLISH?

Stakeholders in tourism development want an action plan that will lead to an economically viable tourism industry in the new millennium. This document begins the process and draws upon targeted consultation with the various members of the tourism industry, as well as upon over 30 years of experience by the territorial government and partners in building a tourism industry in the North.

Our Vision

To promote a tourism sector that contributes to the achievement of the economic, cultural and environmental aspirations of Northwest Territories residents while preserving the integrity of our cultural and natural heritage.

Our Principles

A. Social Tourism Development

Tourism industry development will be consistent and compatible with the skills and aspirations of NWT residents and host communities. Tourism opportunities will be developed in a manner that respects northern cultures, traditions and lifestyles.

B. Sustainable Tourism Development

NWT tourism resources will be carefully developed to minimize adverse effects on the natural environment. Wherever possible, tourism experiences should promote the conservation of the natural and cultural environment.

C. Coordinated Development

Tourism development will be consistent with the plans and strategies of local governments and communities, as well as with regional land use planning processes, and Aboriginal self-government and Land Claims. The rights entrenched in claims agreements, such as individual or community-harvesting rights in territorial parks, as well as lodge and outfitting opportunities, must be respected.

Our Policies

The Government of the Northwest Territories and Industry will work together to encourage individual NWT travel operators to undertake co-operative marketing and product development initiatives and enter into business relationships with southern wholesalers and retailers.

1. Public funding for private sector ventures must be consistent with established community, regional and industry tourism strategies as well as the Business Development Fund and Business Credit Corporation guidelines. An increasing share of tourism budgets should be generated from tourism programs and initiatives.

2. Northern ownership, demonstrated need and employment will be prime criteria for program eligibility. Financial assistance to individuals or organizations will require sound market analysis, competent business planning and demonstrated incremental returns.

3. The GNWT and Industry will seek out non-traditional partners, such as the oil and gas and diamond industries. Such partners can benefit and influence infrastructure, education and community planning to benefit the tourism industry.

Our Goals

1. To increase revenues and employment generated by the tourism sector in the Northwest Territories.

2. To increase the variety and quality of Northwest Territories visitor facilities and attractions.

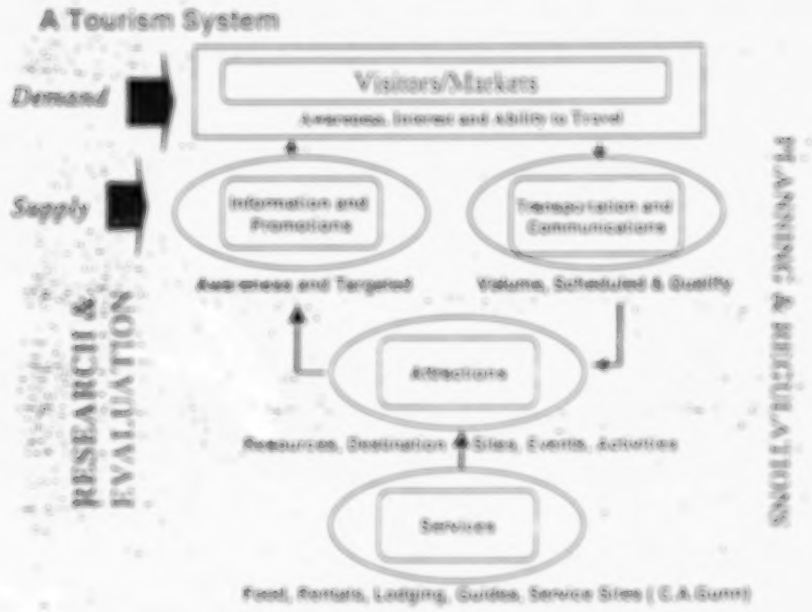
3. To improve the quality, delivery and sale of Northwest Territories tourism products and services.

4. To maintain and protect the natural and cultural resources which provide the sustaining attractions.

Setting the Stage: Defining Tourism

To make progress on these goals, we have to look at a broad picture before implementing specific projects or activities. The tourism industry is made up of a complex mix of elements. On the supply side, there are services, attractions, transportation, communications, information and promotions. A population of interested visitors as our potential market, makes up the demand side of the equation. All components need to be addressed in a tourism strategy.

Figure 1:



Examples of services include restaurants, lodging, vehicle rentals, guiding and gas stations. Transportation and communications are needed to bring visitors to the NWT, while information and promotions are needed to market the NWT to potential visitors. Attractions include destination sites, events and vacation activities. The NWT has many outdoor/adventure tourism opportunities, which include:

- Sports fishing and big game hunting
- Camping, hiking, canoeing, rafting, kayaking and dog sledding, golfing, snowmobiling and driving ice roads
- Naturalist expeditions, aurora tourism and photo safaris
- Travel experiences highlighting Aboriginal culture, traditions and foods
- Cruising, sailing, arts and crafts, and mining tourism

Defining Travel

Distinguishing the reasons why people travel is important in understanding tourism and planning strategies, especially marketing activities. A distinction is often drawn between tourism and the broader travel sector. The travel industry includes both business and pleasure travel in the Northwest Territories. The tourism industry is that portion of the travel industry consisting mainly of resident and non-resident pleasure travellers. These are the visitors that we can directly influence to spend vacation time in the NWT through targeted local, national and international marketing activities.

Tourism can provide an environment that encourages Northerners to sustain their cultures and languages, lifestyles and traditions.

Business travellers have limited discretion about where they travel. However, business travellers can be influenced to come to conventions, extend their stays, or schedule breaks in their business agendas to participate in leisure activities.

A New Territory: Implications of Division on Tourism in the Northwest Territories

In 1999 the NWT was divided into the "new" Northwest Territories and the territory of Nunavut. That division has provided both challenges and opportunities for the NWT tourism industry. Challenges included the dilution of our national and international image and "brand", fiscal constraints and related organizational and structural changes. We now have an opportunity to focus our attention on the new Northwest Territories' product strengths and natural market linkages.

To do this we will need to ensure that the NWT has what potential visitors are looking for, and that we have trained staff and quality services and attractions.

We need to make sure that the NWT is recognized as a distinct northern destination of choice in national and international markets. Visitors first need to be aware of the NWT as a destination, and then need to be convinced that the NWT offers "value for money".

We will need to agree on a set of images to represent the NWT—likely a combination of existing and new images or "brands". The brands we select to represent the NWT will have to balance how we perceive ourselves with the images that most effectively bring visitors from outside the NWT.

Developing a NWT Tourism Strategy – The Background

PLANNING FOR TOURISM DEVELOPMENT: PREVIOUS TOURISM STRATEGIES

The NWT is a developing tourism destination. There have only been two tourism strategies before this one, and this will be the first for the new Northwest Territories.

1983 Tourism Strategy

The first comprehensive tourism strategy for the NWT was completed in 1983 and was called a *"Community Based Tourism Strategy"*.

This Strategy succeeded in raising the profile of the tourism sector and resulted in a tenfold increase in public expenditures, up to $11 million per year by 1989. (NWT and Nunavut)

Although many elements in this strategy were successful, by 1989 it was realized that more targeted initiatives were required to jump start new business and create new attractions and events.

1990 Tourism Strategy

The NWT's second generation tourism strategy was released in 1990 and was titled *"Tourism, The Northern Lure"*.

This Strategy built upon community based tourism but placed more emphasis on packaged tourism products, partnerships with wholesalers, as well as targeted marketing and training to meet increased visitor expectations for quality and service.

"Tourism, the Northern Lure" provided direction up until 1995 when upcoming division of the territory and fiscal restraint put many of the recommendations for tourism development on hold. This setback to tourism development in the NWT was compounded when the Canada/NWT Economic Development Agreement (EDA) came to an end. Although there was some niche growth in sectors of the industry such as Aurora viewing, the industry was stagnant and levels of visitation even declined until recently.

VISITATION AND PERFORMANCE - THE NUMBERS

Typically, people travel for business, to visit friends and relatives or simply for pleasure, to see, learn about and experience new environments, cultures and recreational activities. Visitation to the Northwest Territories has tripled since the 1970's. In comparison to global and national levels, NWT tourism is only a snowflake on a lake, but the growth in the last three decades suggests that the NWT has great potential.

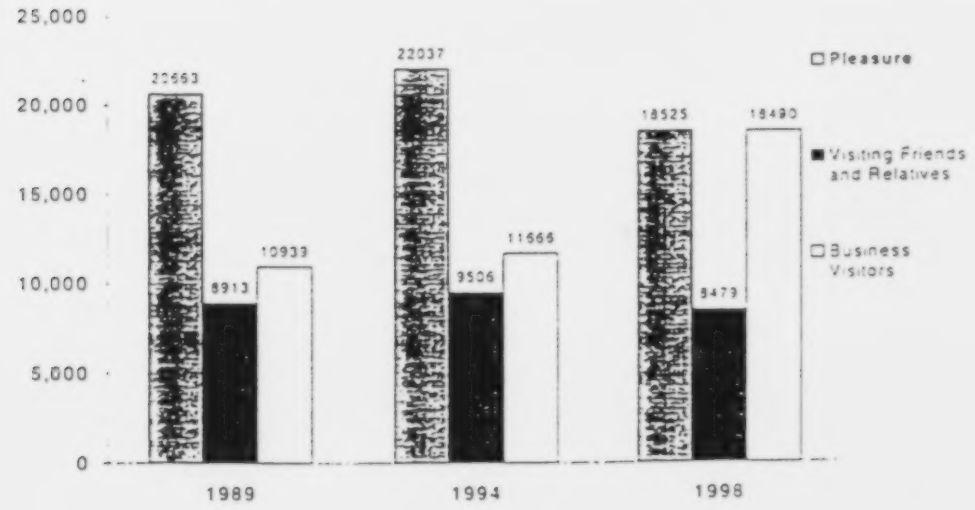
Summer Period Visitation

The NWT 1998 Exit Survey concluded that 45,500 business and leisure travellers visited the NWT from May to September 1998. This was an increase of 2,290 visitors for a similar period in 1994 or a NWT growth rate of 1% per year. This growth was in business travel; leisure travel actually declined by 4,539 visitors or 14% over the previous three-year period. In contrast, the national leisure growth rate during this period was approximately 8% per year.

Estimates for 2000 visitation, based on ferry crossing and campground statistics are promising. Last year's figures also appear to suggest this: between 1998 and 1999, total leisure travel showed an estimated 7% rate of growth.

Figure 2:

Summer Tourism Over Time:
Change in Numbers of Visitors by Primary Reason for Visit



Annual Visitation

Total estimated annual business and leisure travel to the NWT in 1998 was 72,000 visitors generating approximately $52 million in gross revenue. Estimated total annual leisure visitation to the NWT in 1998 was 35,323 people, which generated over $30 million in revenue for the NWT. Contribution to the GDP was estimated at $13 million with government tax revenue estimates of $5.7 million and employment equaling 229 full time equivalent jobs.

Of leisure visitors, 55.7% were from Canada (primarily Alberta, B.C. and Ontario), 15.8% from the U.S.A. (California, Washington, Alaska, and Texas), 17% were Aurora visitors (primarily Japanese), and 11.5% came from other locations.

Figure 3:

Contribution of Tourist Spending to the NWT Economy
In 1998/1999

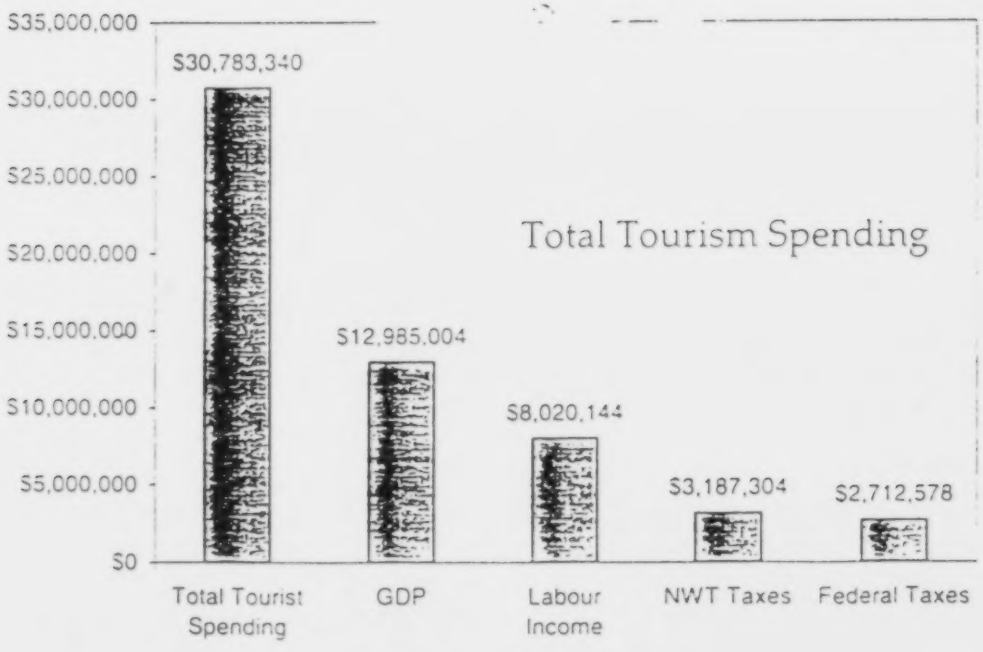
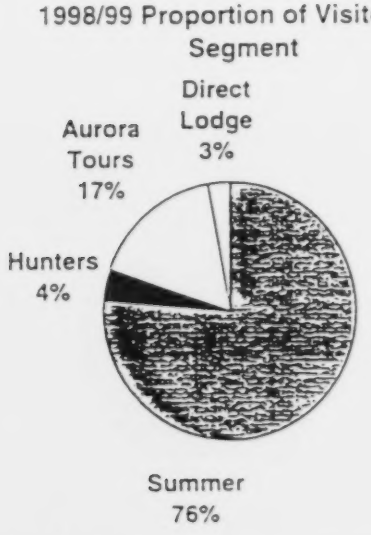


Figure 4:

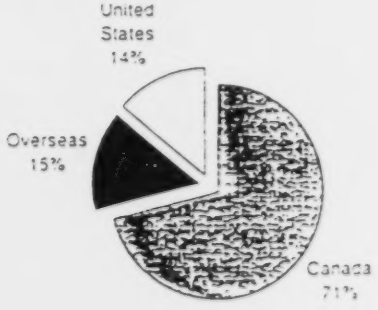
Annual Leisure Visitation, 1998/1999 Estimates



	Number	Spending	Dollars Contributed to NWT Economy
Summer	27004	$12,232,812	$ 4,820,048
Hunters	1319	$13,150,528	$ 5,913,598
Aurora Tours	6000	$ 3,900,000	$ 1,560,000
Lodge Fly-in	1000	$ 1,500,000	$ 691,358
	35323	$30,783,340	$12,985,004

Figure 5:

Origin of Summer Leisure Visitors to the NWT in 1998



WHERE WE ARE TODAY:
A DESCRIPTION OF THE NWT TOURISM INDUSTRY AND THE CHALLENGES FACING IT

Many stakeholders believe investing additional resources into tourism is a cost-effective way to increase economic activity and employment. A simplified cost-effective analysis shows that an investment of just over $4 million into all aspects of tourism and related parks functions generated $30 million or a return of six dollars for every dollar invested. Future tourism sector performance indicators will "grow" revenues while striving to maintain this healthy public sector investment ratio.

This section describes the current tourism picture in the NWT, comments on possible future directions for growth, and provides a snapshot of the different roles various agencies have played in tourism.

Organizational Structures

Over the years, stakeholders in the tourism industry have explored ways to improve the delivery of tourism support programs. Various combinations have been tried: government delivery with industry consultation; delivery by regional organizations; and/or RWED staff delivery. Uncertainty and duplication of roles and responsibilities has reduced opportunities for coordination, and probably resulted in higher overall administration costs.

Government and the tourism industry have also discussed ways to increase funding. A new Hotel Accommodation Tax is currently proposed. Other potential ideas include:

- returning fees from fishing and hunting licenses to the tourism sector
- raising existing fees
- redefining contribution terms
- merchandising and seeking non-traditional partners such as the resource industry.

Partnerships

Many international travellers prefer to purchase complete vacations where food, transportation, accommodation, and visits to attractions are pre-arranged. It takes an integrated partnership of businesses and public agencies to fund, operate, regulate and package the services and attractions to meet such visitor expectations.

Partnership has many benefits. Marketing costs to all participants are reduced, for example, and information can be shared. The NWT already enjoys the benefit of several tourism partnerships.

Notable partnerships have included marketing activities with the Canadian Tourism Commission, the Alliance for Western and Northern Canada and, recently, Canada's North Tourism Partnership. The Canada's North Tourism Partnership has included some cooperative marketing initiatives between the Northwest Territories, Yukon and Nunavut.

Partnerships between northern tourism businesses, communities, the resource industry, and governments are critical to industry growth.

Successful partnership depends on the mutual trust and commitment of all partners. In the tourism industry, there are many elements and players, all interconnected. Even one bad visitor experience can tarnish the reputation the whole Northwest Territories is building as a desirable, hospitable vacation destination.

A broader range of quality partnerships, particularly between northern businesses, communities and government agencies, will help tourism grow more efficiently.

Participants in the Tourism Industry

A. Tourism Operators and Businesses

Tourism operators provide the core services purchased by tourists to support their travel. Through their individual actions, operators undertake all facets of tourism in relation to their individual businesses, and are key to the long-term success of the industry. Businesses often work collectively through geographically-based tourism associations or through sectorally based organizations.

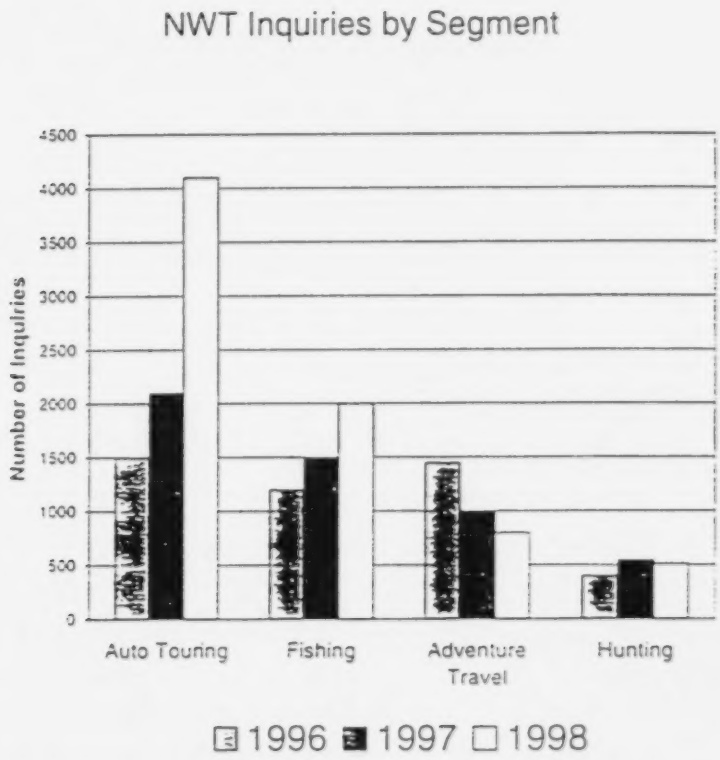
Airlines, hotels, and travel agencies provide key travel services and support to other operators. Government programs can help to develop new products, generically help businesses market their products, develop new products and support training.

B. Tourism Industry Associations

Tourism Industry Associations in the Northwest Territories were first established over 30 years ago to ensure the industry voice was heard. In 1996, NWT Arctic Tourism was established to provide a unified voice for the tourism industry. The NWT, divided into five government administrative regions, also has other regional or sector specific tourism organizations such as the Barrenland Outfitters, Nahanni Wilderness Outfitters, the Northern Frontier Visitor Centre and the Mackenzie Mountain Outfitter Associations.

NWT Arctic Tourism and associated organizations provide benefits to members by playing a key role in keeping members up to date on new technology and market trends, and advocating actions and improvements to government programs. Associations also deliver designated programs to members on behalf of the territorial government and industry. Programs have included media advertising, production of fulfillment materials (NWT Explorers' Guide), media relations and the travel trade.

Figure 6:



The GNWT has supported and encouraged NWT Arctic Tourism so that tourism businesses would have a forum for collective action and a vehicle for playing a strong role in guiding the development of the Industry. Increasingly, there are calls to relocate tourism marketing and licensing to regionally-based organizations.

Tourism revenues have shown limited growth over the last decade and territorial tourism businesses have found it difficult to provide adequate funding to support the operation of NWT Arctic Tourism and associated marketing initiatives. As a result, the GNWT has been required to provide almost all of the operational and program funding to industry groups as part of its commitment to tourism development across the Northwest Territories. No federal monies have been allocated to this sector in recent years.

C. *Government of the Northwest Territories, Resources Wildlife and Economic Development (RWED)*

The GNWT supports development of the tourism industry by planning and developing public facilities, such as territorial parks and visitor Centres. These public facilities improve the destination appeal and service quality of the Northwest Territories, increasing the range of potential tourism markets and opening up new business opportunities for the private sector.

Apart from being tourist attractions in themselves, parks can serve as local catalysts to tourism development. There is a general expectation that tourism will benefit the smaller communities which often lack the capital or experience to invest in their own tourism business development. Community business is encouraged to operate parks and campgrounds in partnership with RWED thus generating local employment and business experience.

Visitor centres provide tourists with clear information about activities, attractions, local operators and events, and can encourage visitors to extend their trip and spend more on local goods and services.

RWED responsibilities include:

- facilitating NWT branding, image awareness and promotion
- assist in developing new tourism products
- licensing tourism operators in support of product safety and quality
- testing new markets
- analyzing industry trends
- making market intelligence available to tourism operators and industry partners
- collecting regional and territorial travel statistics to improve the information base for industry and business planners.
- planning, developing and operating a system of territorial parks

D. Federal Government, Industry Canada – Canadian Tourism Commission

The federal government has not played a significant role in the development of the NWT tourism industry since the last Economic Development Agreement (EDA) was terminated in 1995. The lack of federal support has weakened the NWT's position in the marketplace and negatively impacted previously forecast rates of growth.

Federal treatment of the NWT tourism industry has been inconsistent in comparison to southern jurisdictions, particularly Quebec, the Atlantic Provinces, and northern Ontario, which received federal support through Industry Canada programs.

In addition, recent and significant federal dollars invested into Canadian Tourism Commission (CTC) marketing programs have been of limited benefit to the Northwest Territories. The costs of participating in CTC programs are high, and once the NWT met its commitments to essential tourism service, it often couldn't afford to take advantage of CTC programs.

On a more positive note, the Canadian Tourism Commission has facilitated meetings with southern wholesalers and the travel media, assisted in organizing receptions with the travel trade, and supplied useful "intelligence" concerning the United States and overseas markets. Its marketing initiatives have also helped to establish Canada as a desirable four-season vacation destination in markets such as the United States. National marketing programs help increase the effectiveness of NWT public and private sector campaigns in international markets.

E. Aboriginal Organizations

Aboriginal organizations play a large and growing role in all aspects of tourism, most notably in planning, regulation, business support and cultural tourism. Where claims are settled there are many organizations established to guide development. Aboriginal organizations play the lead role in any tourism activity that occurs on private settlement land as well as a large role in decisions regarding undeveloped Crown land.

Looking forward, Aboriginal development corporations will likely take the lead in the development of cultural tourism initiatives that concentrate on Aboriginal culture. Aboriginal Business Canada supports a national network to support Aboriginal tourism initiatives.

F. Communities

Communities play a major role as service centres and occasionally as attractions. Attractive and welcoming communities contribute to a tourism experience. Commercial services in communities provide essential services to support basic needs and to access surrounding areas. Communities, to varying degrees, regulate and license tourism business and provide development and promotional support to them. Some communities also have staff specifically dedicated to tourism development and promotion.

G. NWT Association of Municipalities (NWTAM)

The Association of Municipalities provides overall coordination between municipalities and encourages cooperative initiatives. The NWTAM also provides information on tourism and other opportunities available to municipalities such as the *Communities in Bloom* initiative.

H. Chambers of Commerce

Chambers of Commerce provide a means for businesses to support one another and a forum for considering policy relating to business activity. Chambers also raise awareness of the NWT's business capacity through their publications and the trade shows and events they attend. Chamber members with a particular tourism interest may work together on issues particularly important to tourism businesses.

I. Regional Tourism Organizations

Regional Tourism Organizations provide coordination and support to businesses specially linked to tourism. They also undertake marketing and support new product development. In several cases Regional Tourism Organizations are involved with the provision of visitor services.

J. Development Corporations

Development corporations can provide financial and managerial support to tourism businesses. Many community and regional development corporations provide a means for people who lack financing to gain experience and become involved in business.

K. Parks Canada

Through national and historic parks, Parks Canada manages high quality destination attractions. These parks serve as national tourism symbols. Parks Canada undertakes tourism marketing and training for its component parks and also works with local businesses to coordinate services.

L. GNWT-Education, Culture and Employment (ECE)

This department plays a key role in the provision of general education and has played an important role in on-the-job tourism training. Colleges also provide NWT residents with an opportunity to take formal training to prepare for work in the tourism industry. In addition, ECE manages museum programs, which are attractions but also, skill repositories for the management of cultural artifacts and information.

M. GNWT-Transportation

This department oversees the planning, development and operation of the NWT's travel infrastructure including roads, docks, and airports. Transportation strategies help position the NWT to take advantage of opportunities in tourism and other sectors.

N. GNWT-Municipal and Community Affairs (MACA)

MACA provides support to NWT communities to improve basic infrastructure. It also helps support outdoor recreation programs such as trails, playgrounds, pools and arenas which benefit tourism through the use of local facilities. As well, MACA provides support to recreational and sporting events.

Challenges

The stable to modest growth of tourism numbers in recent years has been achieved despite budget reductions. This might lead government and industry to become complacent or even believe they are doing fairly well, considering the relatively good returns on a relatively small investment. However, the Northwest Territories faces a highly competitive Canadian market, which has averaged an 8% per year growth rate nationally.

Challenges facing tourism development in the NWT are described in the following section. They are grouped according to the components that make up a tourism system: Attractions, Services, Information and Promotions, Transportation and Communications, Planning and Regulations and Research and Evaluation.

Attractions

Accessibility:

The NWT has a wealth of natural and cultural attractions. Most of these, however, are relatively inaccessible either because of remoteness or because of a lack of guiding and outfitting businesses. The Mackenzie Mountains, the Arctic Islands or Great Bear Lake, for instance, all have superb qualities but in many cases are difficult and expensive to access and lack basic services and information to support travel. Often there are legal and administrative hurdles associated with access to the land, which are every bit as formidable as the physical challenges.

Improving Product Development

Tourism product is the combination of attractions, events, facilities, infrastructure, transportation, hospitality resources and other services that a destination provides for visitors. Visitors look for things like quality, quantity, variety, uniqueness, value, hospitality and access. New products must attract visitors, satisfy their needs, and encourage them to come back.

Supporting Services:

Even when the NWT has a high quality natural attraction such as Aurora viewing, there is a need for other complementary attractions, destinations and services to support the main attraction. Central attractions should be clustered with supporting components and packaged with appropriate and available services.

Cultural Events:

Similarly, there is great cultural diversity and while it has become relatively easier to travel to communities, it remains difficult to find authentic, well-presented and organized cultural and historical products. In order to have these cultural products in place, local groups must decide they want to offer such attractions, must undertake the necessary organization, and must patiently cultivate a market. There are several quality events in the NWT that are local and regional attractions but few are able to begin to attract national or international interest.

Community Infrastructure and Public Presentation:

Because of the nature of travel in the NWT where communities are often far apart and road distances great, communities are important places to refuel and rest. They can also be destinations where the visitor can learn first hand about northern people and culture. Municipalities will need to be supported in their efforts to attract and keep tourists longer through training, community beautification/restoration, and improved services and amenities.

. .rks:

Parks are important tourist attractions, and while the quality of park services, viewpoints and signage has greatly improved, there are still a number of parks and public attractions needing further upgrading or expansion.

Services

Vacation Packages

There is a shortage of attractive, accessible, "value priced" vacations available to prospective tourists. Obtaining information and making arrangements for travel, accommodation and activities can still be difficult, particularly for many of the remote areas of the territories.

Few small communities have the private sector businesses that can deliver the range of tourism activities and services which tourists have come to expect. Even if tour operators package more tours, there will still be a need for quality accommodation, dining services and visitor activities, to make the packages complete and competitive in the international marketplace. The lack of good infrastructure and quality services is a deterrent to tourism development. Without adequate services and attractions to offer, national and international tour wholesalers and travel agents will buy other provinces' or countries' products.

Tourism Product Sales:

The Northwest Territories needs to update its sales toolkit and techniques to compete with other regions and countries for the tourist looking for outdoor adventures.

The NWT needs to keep developing connections with and provide consistent information and attendance to wholesalers, travel agents and tour operators to access the worldwide adventure travel market. Booking and tourist information services only exist in the larger, urban centres, such as Yellowknife, Hay River, and Inuvik.

The NWT, unlike most jurisdictions, continues to lack support from strategically placed in-bound operators. These firms organize and package the services of small northern operators and then sell to clients.

The majority of visitors for most of the NWT still arrive in the short summer season. Yellowknife now has a very active winter season as well. The NWT will need to become a four season, world class destination to improve opportunities for investment and encourage our youth to acquire the technical skills needed to effectively participate in the industry.

Caribou sports hunts in the fall, "aurora tours", arts festivals and dog sledding races have helped to extend our season but much more can be done. New, quality events are needed to act as a focus to attract national and international attention and facilitate the establishment of new products. Country foods and arts and crafts souvenirs also provide many opportunities to give tourists and travellers a genuine taste of the north.

Qualified Tourism Professionals

In a very real sense, everyone who comes into contact with a visitor is a "tourism worker". Front line training should be readily available to interested residents and those directly involved in the tourism sector.

Although traditional on-the-land experiences help develop the skills necessary to deliver adventure tourism, improved training and direct experience is needed to provide the technical, business and hospitality service competence required for our industry to effectively compete with other travel destinations.

The Northwest Territories hospitality service sector is still not attracting adequate numbers of residents seeking long-term employment. The common perception that the industry is low paying, seasonal, and requires few skills, must change if adequate numbers of people are to choose careers in this industry. More involvement and awareness is required at a younger level to encourage NWT youth to look to the tourism industry as a career.

Information and Promotions

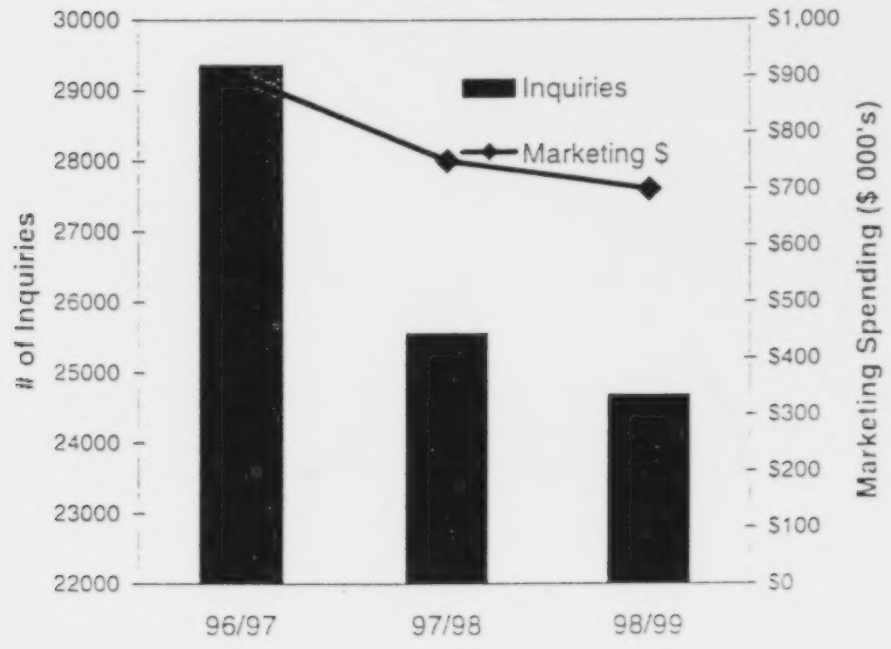
Competition with better resourced jurisdictions within Canada and abroad is a significant challenge to NWT tourism. Although people are becoming aware of the Northwest Territories as an outdoor adventure destination, even Canadians confuse the NWT with other northern locations such as the Yukon, Alaska and now Nunavut.

In large measure, this has to do with the fact that resources for marketing are limited. While marketing efforts may have been generally more cost effective over the last five years, these efforts were not able to match the decrease in resource availability. Compounding reduced marketing efforts has been the lack of product development initiatives. All these elements interact and have an impact on how effective the NWT is in establishing itself as a tourism destination.

Confusion with other northern tourist destinations also has to do with the lack of a clear identity or brand for our new territory.

Figure 7:

Change in General Information Inquiries relative to Change in Spending on Marketing for the NWT



Image, Brand, Identity and Awareness

The Northwest Territories has yet to develop a solid and distinct identity or reputation in the minds of consumers in our key market areas, or in the minds of the travel trade. The division of the territories and creation of Nunavut have compounded this situation. Advertising our clean air and water, mountains, cultural diversity and northern hospitality isn't much benefit if tourists end up booking a trip to a competing destination.

Increased traditional media advertising promotions and newer ones that include exploring the use of the Internet, as well as new and dynamic ways of portraying and branding the NWT, are urgently needed to improve awareness and image of the NWT in national and international marketplaces.

Coordinated Advertising

There is a need for a more coordinated effort in advertising to ensure consistent branding and to achieve greater reach and frequency (for example, by not placing three related NWT ads in the same issue of a publication). Similarly, the NWT can work with

Nunavut and Yukon to promote a family of similar attractions such as northern national parks or heritage rivers.

Niche / Targeted Marketing

Marketing initiatives are intended to affect the level of leisure travel visitation. Leisure visitors are defined as those travelling for both pleasure and to Visit Friends and Relatives (VFR). Tourism revenues from business travellers can be influenced by providing targeted NWT travel planning information and by actively seeking to attract conventions.

Areas to consider for more emphasis include:

- promoting the NWT to the VFR group
- the growing internal NWT resident leisure traveler market
- repeat visitors and the importance of word of mouth
- the commercial incentive travel market
- conventions.

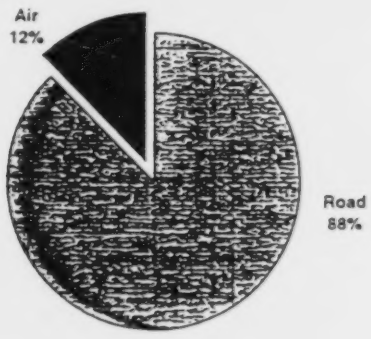
Exit surveys have indicated that targeted marketing of road travel to Alaska tourists and to Alberta teachers' associations and motor clubs could be effective.

More effective visitor information services, when combined with an increased number of visitor attractions, will result in tourists staying in the NWT longer, and spending more money while they are here.

Transportation and Communications

Figure 8:

Mode of Travel to the NWT (Leisure Visitors in Summer),1998



Limited Highway System and High Airfare Costs

The lack of an extensive highway system in the 1970's and 80's, and the high cost of airfares at one time limited NWT visitation to only specialized fishing or hunting adventures.

As transportation improved throughout the 1980's, the handful of northern destinations expanded and the fledgling tourism industry began to develop. It began to attract new levels and types of pleasure travellers, especially canoeists and those interested in wildlife viewing on our thousands of lakes and rivers.

However, access to the NWT remains a challenge. The highway system is limited, and the quality of roads is inconsistent across the territory. Northern driving conditions, especially on gravel, are not well understood by southern visitors. Air transportation suffers from relatively high costs and relatively few scheduled or chartered flights into many communities.

The Need for Stronger Communication Links

Getting some people to come to the NWT partially depends on how easy it is for them to book a northern holiday from anywhere in the world. These potential tourists will not make NWT vacation dreams a reality unless their travel agent or tour company has the necessary information, contacts and interest to sell our products.

Planning and Regulations

Legislation

Both the *NWT Parks Act* and the *NWT Travel and Tourism Act* need to be revised. The *Travel and Tourism Act* needs a focus on tools to more effectively manage tourism activity in remote areas beyond communities. Further, the *Act* needs to withdraw its focus from tourism regulation within communities because this can now be effectively done through municipal and other regulations. *The Parks Act* needs tools to strengthen conservation and site management. Revised park categories are needed to more clearly protect and promote natural and cultural destinations.

Historically, legislation and inspections were targeted to improve the quality of NWT products, public safety and revenue generation. However, rather than promoting product quality and safety as intended, territorial legislation may have acted as a barrier to new tourism businesses trying to acquire licenses to expand or start new operations, while generating only limited revenues for the government.

Non-territorial legislation related to acquiring land leases and community approval may have created barriers as well. This issue needs to be looked at more closely and might be dealt with more effectively in the context of evolving resource management authorities and regional planning.

Another issue that needs to be considered is the fact that time and budget restraints in recent years have reduced the frequency for both tourism establishments and outfitters. Any reduction in inspections makes it difficult to determine if businesses are conforming to legislated requirements identified in the *Act* and *Regulations*.

Long Term Planning

Like many industries, tourism requires providing and selling a product. Generally, this requires multi-year planning and investment in tourism product development and marketing. Planned tourism initiatives can result in value-added sales for other NWT resources such as arts and crafts, country foods, diamonds, and renewable resource industries, and allow tourism operators to offer a fuller and more satisfying experience for their clients.

Recent products, such as the Aurora tours, Mackenzie cruises, and Arctic wildlife viewing have been relatively successful. The expansion of the lodge, outfitting and accommodation sector over the last two decades, and the increase in northern operators, reflects, in part, the success of past development strategies and initiatives.

The challenge for the next few years is to consider all aspects of tourism in planning, strengthen our research program, identify and target new products and markets, invest in their development, allow time for growth, and follow through with evaluation. Tourism planning must be long-term, comprehensive and on going.

Our challenge for the next few years is to bring all aspects of tourism into our planning, strengthen our research program, identify and target new products, invest in their development, allow time for growth, and follow through with evaluation.

Research and Information

Important information gaps concerning the nature and performance of the Northwest Territories travel industry still exist. Without an effective research program, it will not be possible to identify untapped opportunities, adapt to changes in existing markets, and learn from mistakes to reduce risks associated with investing in northern tourism.

Tourism planners, facilities and capital planners, marketers and investors need factual and accurate information about trends and markets to help make decisions. Information required for planning, launching and evaluating programs must be on going and consistent.

EVALUATION:

To determine the success of this tourism strategy, it is important to set some achievable targets that can be measured during the life of the strategy. Broad indicators of performance of the NWT tourism sector will measure the overall increase in visitation and the associated increase in gross tourism revenues.

Tourism performance in the NWT can be measured using information collected from the periodic Exit Survey and supporting tourism indicators such as annual ferry crossing statistics and campground information. Other project or task specific evaluation parameters can be used independently or to substantiate changes in tourism sector activity.

As shown in Figure 2 of this strategy, tourism numbers have declined significantly between 1994 and 1998, although they did show a promising growth rate in 1999. This decline generally paralleled declines in budgets that leveled out at about $2.3 million invested into tourism marketing and development in 1999/2000.

This five year strategy, given new annual investments of $1.5 million into tourism marketing and product development, plans to reverse this trend and provide average growth rates of 5% per year between 2001 and 2006 given a relatively stable economy. This rate remains below the Canadian average (6.5%) and reflects the slow return from recent declines and stagnation. The following table identifies annual 5% growth targets:

Figure 9:

YEAR	TOURISM EXPENDITURES	ANNUAL GROWTH
2000/2001	$30,780,340 (BASE YR.)	
2001/2002	$30,780,340	$1,539,017
2002/2003	$32,319,357	$1,615,968
2003/2004	$33,935,324	$1,697,766
2004/2005	$35,632,090	$1,781,605
2005/2006	$37,102,752	$1,855,137
2006/2007	$38,957,889 (Final Yr.)	

In summary, the addition of new resources will change the face of tourism-- from a sector of declining growth to a healthy tourism industry where incremental investments will generate approximately $5 million dollars of new revenues for the NWT in the fifth year.

Developing a NWT Tourism Strategy: The 2000-2005 Action Plan

THE CONTEXT

The purity and beauty of the Northwest Territories' land, water and sky is varied and appealing, and can provide a solid foundation for a thriving tourism industry. Also appealing and diverse is the Northwest Territories' historical and cultural heritage. These assets will position the NWT as a unique destination in the new millennium if developed and promoted sensitively.

Recent travel trends also point favourably in our direction. NWT research and experience has shown that travel tends to be a priority for people with higher levels of education. This trend offers opportunities for the North, especially when combined with rising discretionary incomes, vacation time, increasing interest in outdoor adventure and "educational" type holidays, and low Canadian dollar forecasts.

These positive indicators are one part of the picture, but there are other realities that present challenges. The summer season in the NWT is short, and costs are high in the North. The NWT is not a mass destination nor is it well established as a tourist destination. The NWT has limited funding, infrastructure and trained staff. As a result, we need to be strategic and effective in the use of our resources.

This section sets out what needs to be done to strengthen tourism in the Northwest Territories.

WHAT DOES A TOURISM STRATEGY NEED TO DO?

Identify how to:

- ✓ Increase visitation and revenues
- ✓ Increase length of visitor stays
- ✓ Increase the number of vacation packages and attractions
- ✓ Establish a newly profiled NWT image
- ✓ Increase the number of qualified tourism professionals
- ✓ Increase investment into tourism development
- ✓ Build constructive partnerships between jurisdictions, governments and industry associations
- ✓ Include local governments, communities, regional land use plans, local governments and land claim groups
- ✓ Encourage decisions based on a better information base and evaluate program activities
- ✓ Improve transportation access and opportunities

Broad Recommendations to Guide Annual Action Plans 2000-2005

Attractions

The NWT must improve the number, quality and diversity of its attractions. These draw and hold travellers to the NWT and provide the primary memories that visitors take home to recall to others. Attractions should be developed for a range of sectors and geographic areas. Tourists need things to do and places to go if they are to spend their time and money in the NWT.

Services

Tourists need local services to get the most out of their trip. Hotels, restaurants, guides, and stores all provide essential services. High quality services can make a strong impression. Commercial services in the NWT must prepare and adapt themselves to the tourist. Services must be appropriate, available, and affordable. Staff need to be hospitable and knowledgeable. Communities need to be welcoming and readily provide service information. Regions with an under-developed service base need encouragement and support to build their regional service capacity.

Information / Promotion

Tourist information needs begin with awareness and end in action. The NWT must develop a strong, consistent image in the tourism marketplace. Promotional strategies need to build upon the foundation of that image and expand it to targeted markets. It is important to complement NWT-wide promotions with those that are regionally and sectorally specific. Once in the NWT, tourists need accurate information on services, attractions and opportunities.

Transportation and Communication

Tourists budget their time and money to move to and through an area. Improvements and extensions to the road system are needed to increase tourist volumes. An expanded network of air routes would similarly diversify markets and destinations. Communication networks must be compatible with global systems in common use.

Regulation and Legislation

The orderly and safe development and management of the tourism industry requires a legislative and regulatory context. Recent changes resulting from land claim settlements and program reorganization have lead to uncertainty. Revisions to legislation and regulations should aim to clarify uncertainty, improve management, and streamline procedures.

Planning and Research

Tourism development can be strengthened through improved inter-regional co-ordination. We need to concentrate limited resources on areas with great need and high potential. An important component of planning must be a broad effort to increase financial resources available to tourism development. A stable and timely research program is necessary to monitor and adjust other program initiatives.

Conclusion

The Northwest Territories has unspoiled and spectacular natural beauty, the appeal of diverse peoples, cultures and lifestyles, and the lure of an exotic location. Despite these enviable characteristics, the tourism industry has not been able to reach its full potential during the past decade.

The Aurora, the high Arctic, trophy hunting and fishing, cultural diversity, wildlife viewing, and diamonds are powerful things to interest visitors in the NWT. Our extensive network of clean rivers and lakes is internationally outstanding. By themselves, though, they are not enough. All the pieces that make up a tourism system that works well – the attractions and services, the marketing, the communications, the transportation, the planning and regulations, and the research – have to work together.

Imagine planning a future development on Great Bear Lake. Are there boat launches? Are there parking facilities and places to refuel power boats? Can canoes and kayaks be rented? Are there hotels and other accommodations in the area? Are there lodge sites, cabin areas, and parks? Are there places to rent equipment? Do the residents welcome visitors? Are there guides and people trained to describe the wildlife and environment? Are there maps and markers? Is there enough research and rescue capacity? Is there legislation in place to protect the environment? Has enough research been done? Do enough people know about the new development and about the NWT to want to come?

These are the kinds of questions to consider for a successful tourism venture. There are many of them because tourism is dynamic and complex. It takes energy, resources, and people with ideas and skills to make it work.

Together, we have that ability.

Tourism in the Northwest Territories:

Setting a Course for Action

Resources, Wildlife and Economic Development
Action Steps 2001/2002

Executive Summary

SETTING A COURSE FOR ACTION

Setting a Course for Action is Resources Wildlife and Economic Development's business plan for tourism and park activity in 2001/2002. Based on the new five-year tourism strategy, it proposes 28 new initiatives for:

- New and improved events and attractions
- Quality service delivery
- Promotion and marketing
- Transportation and communication
- Streamlined legislation
- Research and evaluation

It is also based on a proposed budget for the next fiscal year that maintains existing budget levels to provide essential tourism services and adds an additional $1.5 million through the proposed Hotel Tax and reallocation of funds from other program areas. These additional dollars will not be used for salary costs but will be applied directly to the delivery of new initiatives listed in this summary.

Its objectives, given the investment of new resources, will be to halt any further decline in tourism visitor numbers to the NWT, and increase visitation in a few key target markets. As well, it aims to create a framework for increasing tourism growth over the following four years of the strategy to a target 5% growth rate by 2006. Promotion of the NWT and building regional capacity through the development of attractions, services and training are major areas of emphasis.

The document describes each new initiative in detail, gives the rationale for undertaking the initiative, background information, assigns a budget, includes measurement parameters and targets, and lists potential partners.

RWED TOURISM INITIATIVES 2001/2002

1. Expand the range of NWT attractions by supporting new product development initiatives within each region
2. Highlight Aboriginal history and culture in areas where tourists will easily encounter it
3. Use major new events as focal points for Regional product development and assist in promoting existing events
4. Improve existing parks and establish new parks building on the *NWT Tourism Strategy* and the *NWT Protected Areas Strategy*

5. Build on the current strength of the hunting and fishing sector as these provide important economic contributions
6. Provide design-planning assistance to municipalities in support of community beautification and interpretative signage
7. Support local artists and cultivate a partnership between tourism, and arts and crafts
8. Develop displays and facilities to interpret the diamond industry
9. Work with the Canadian Tourism Commission on their new program to build an educational niche for Canada by exploring learning products in the NWT
10. Encourage in-bound operator/travel agent capacity in the NWT and in strategic national or international markets
11. Partner to revitalize tourism training in the NWT
12. Establish a Convention Bureau/group to coordinate functions needed to attract the convention market
13. Partner to create a quality assessment system for tourism services in the NWT
14. Partner to develop and implement a new NWT brand/image awareness campaign
15. Increase funds provided to NWT Arctic Tourism
16. Increase Regional marketing funds
17. Design and conduct an Internet marketing program
18. Target park marketing initiatives to highly concentrated niche markets
19. Encourage film production focused on NWT attractions
20. Partner on new road, airport and communication improvements that benefit tourism
21. Co-ordinate road travel planning with Yukon, Northern Alberta, northern B.C., and Alaska
22. Explore options for alternate mechanisms for delivering tourism programs
23. Promote the value of tourism to communities and encourage the development of Regional tourism plans
24. Increase GNWT revenue generation for tourism development
25. Review and revise legislation
26. Encourage meaningful federal participation in advancing tourism development in the North
27. Research and deliver market intelligence to stakeholders, evaluate initiatives and prepare for extensive five-year exit survey
28. Explore and test new markets, nurture existing markets

SETTING A COURSE FOR ACTION:

Resources, Wildlife and Economic Development's Steps in Year One of the Tourism Strategy

Setting a Course for Action: Resources, Wildlife and Economic Development's Action Steps 2001/2002 is the companion document to *NWT Tourism—The 2006 Challenge*, a discussion paper setting the background and general direction for a new tourism strategy for the Northwest Territories (NWT). This paper concludes with broad recommendations to guide tourism development in the NWT over the next five years.

Setting a Course for Action is an annual action plan that takes things a step further. Based on the five-year tourism strategy, it will outline the Department of Resources, Wildlife and Economic Development's (RWED) business plan for tourism and park activity in 2001/2002. Many actions will be ongoing, while other activities will be based on an evaluation of the previous year's performance. Other organizations are encouraged to use *NWT Tourism—The 2006 Challenge* as the basis for preparing action plans appropriate to their area of interest.

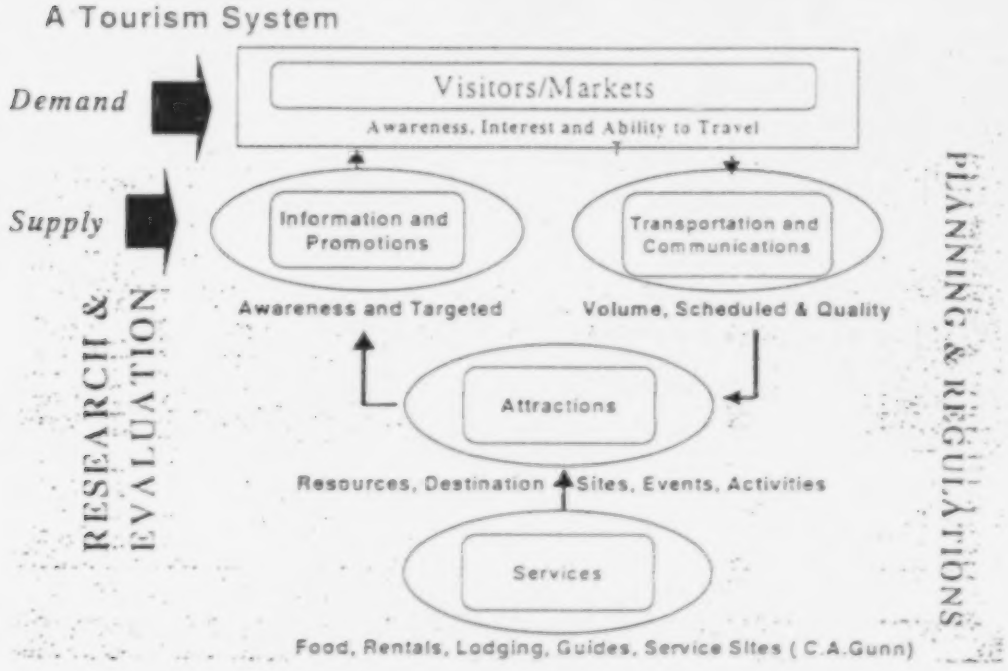


Figure 1:

THE TOURISM SYSTEM: A TOOL FOR CO-ORDINATION

RWED has identified action steps in each category of the tourism system shown in the diagram above. If a tourism system is to work well, attention must be paid to all aspects that make up tourism: attractions, services, information and promotions, transportation and communications, planning and regulations and research and evaluation.

CARRYING OUT THE TOURISM STRATEGY

As part of this action plan, there are many other groups involved in tourism who can also carry out action steps recommended in the Strategy or work closely together on programs and projects. These include:

- Tourism operators and businesses
- Aboriginal organizations
- Aurora College
- Canadian Tourism Human Resource Council
- Communities
- Employers
- Government of the Northwest Territories (RWED) – Regions and Headquarters Parks and Tourism
- Government of the Northwest Territories—Education Culture & Employment (ECE), Diamonds Division, Trade and Investment
- NWT Arctic Tourism
- NWT Development Corporation
- Other tourism associations and visitor centres
- School Boards
- Territorial Cabinet

A BUDGET FOR TOURISM 2001-2006

As discussed in the draft five-year tourism strategy, the existing budget of ~~$4~~ million for all aspects of tourism development and park planning, operation and maintenance, is at a minimum critical level necessary to provide basic essential services.

The approximate $2.3 million specifically targeted to tourism is for media advertising, the operation of a Toll Free Inquiry and Fulfillment service, production of the Explorers' Guide, and attendance at key trade and consumer shows, such as Rendez-vous Canada, Kanata and Spotlight. Other research, planning and product development, licensing and regulation activities are also essential to maintain existing levels of tourism activity. These activities are undertaken by RWED Headquarters and Regions, as well as through NWT Arctic Tourism.

This budget proposes the continued operating and salary expenditures on these activities, programs and services as follows:

RWED HEADQUARTERS

Park and tourism research and development	$250,000
Park and tourism marketing and promotions	$123,000
Park and tourism facilities and displays	$287,000
SUB TOTAL	**$660,000**

NWT ARCTIC TOURISM – Funding from RWED Parks and Tourism Budget

Contribution Agreement (marketing)	$279,000
Service Contract (marketing)	$542,000
Management Services Contract	$100,000
SUB TOTAL	**$921,000**

RWED REGIONS

Assist tourism industry	$400,000
Maintain parks/Visitor Centres / capital transition	$1,590,000
Regional marketing/product development	$480,000
SUB TOTAL	**$2,470,000**

TOTAL (EXISTING)	**$4,050,000**

Note: $420,000 for protected areas is included in the full Headquarters budget but is a separate item for an independent multi-stakeholder initiative.

This 2001-2002 annual plan proposes that the existing budget be maintained and that an additional $500,000 be reallocated from other program areas as well another $1 million through the proposed Hotel Accommodation Tax. These dollars will not be used for salary cost but rather are directly concentrated on the delivery of proposed initiatives.

EVALUATION:

The draft tourism strategy *"NWT Tourism – The 2006 Challenge"* identifies long-term targets that can be evaluated during the life of the strategy. A priority is to grow gross tourism revenues from non-residents from $31 - 39 million over a five-year period. Average annual performance based on this objective would be 5% (national average in 2000 was 6.5%) per year, although in reality, growth would be expected to be proportionally lower in earlier years (prior to new program start up and marketing cycles) and higher in later years.

Broad measures of performance for the NWT tourism sector will include an overall increase in non-resident visitation to the NWT and the associated increase in gross tourism revenues.

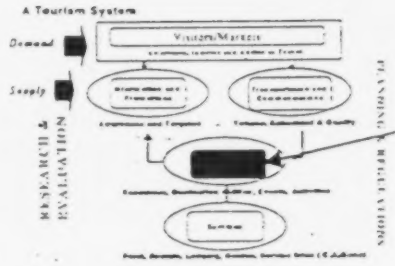
The periodic Exit Survey and supporting tourism indicators such as annual ferry crossing statistics and campground information will be used to measure progress toward reaching these goals on an annual basis. Other project or task specific evaluation parameters will be used independently or to substantiate changes in tourism sector activity and program effectiveness.

As noted in the draft tourism strategy, visitor numbers to the NWT declined significantly between 1994 and 1998 -- parallel to budget reductions for marketing and product development. (It has since increased slightly.) The budget levelled out at about $2.3 million in 2000, which was invested into what can be described as "essential tourism services" i.e. those services needed to maintain NWT presence in national and international markets.

These essential services include targeted print media advertising, Explorers' Guide production, operation of a Toll Free Inquiry Response System and Regional Consumer, Trade and product development activities. These essential services, budgeted $2.3 million, will continue to be evaluated and will benefit from new resources and program activities as described in the following sections of this RWED 2001/2002 Action Plan.

The first year objective of the strategy, given the investment of new resources -- **$1.5 million**-- will be to halt any further decline in tourism visitor numbers to the NWT. Targets will also seek to increase visitation in a few key target markets, and most importantly, to set up a framework for increasing tourism growth incrementally in the following four years of the strategy. Detailed project/program initiatives have been grouped together using the Tourism System concept diagram (previous Figure 1) and includes background information, budget, rationale for activity, measurement parameters and both one and five year targets.

Attractions : New Initiatives



Attractions: New Initiatives

Attractions are those areas, events, and activities that interest and attract the visitor. They are often natural or cultural features, or unique programs.

INITIATIVE #1:

Prepare new product development initiatives within each Region to expand the range of NWT attractions available to the travelling public.

- *Regions to assist in the establishment of specific product development plans and programs. For example, conduct feasibility studies and business plans for one "showcase" product in each region in the first year; then a four-year implementation program.*
- *Work with the economic development arm of Land Claim based organizations to advance Aboriginal tourism products.*
- *Concentrate on a destination development planning process for products in selected high potential accessible areas such as the Great Bear and Slave Lakes, Mackenzie River and Delta, and the Mackenzie Mountains.*
- *Continue to work with the Canadian Heritage Rivers program, the Trans Canada Trail and other national programs that contribute to our tourism identity, and anchor our attractions.*

Budget: $250,000 in Year I; this budget will increase significantly in future years as products are defined.

Rationale: We need more quality attractions that are ready for use and sale in tourism packages. Well-developed initiatives will serve as locally relevant models for others to learn from.

MEASURES:

- The number and range of new products

TARGET 2002:

- Gain consensus on product gaps and opportunities

TARGET 2006:

- Five new tourism products across regions

POTENTIAL PARTNERS:

- Private Industry
- Development Corporations

INITIATIVE #2

Highlight Aboriginal history and culture in areas where tourists will easily encounter it.

- *Through promotion, awards and media, encourage the incorporation of Aboriginal culture, and northern arts and crafts into a wide range of tourism products.*
- *Increase the visibility of Aboriginal culture by encouraging hotels, government facilities and other public buildings to use cultural motifs, themes, and art in displays, design elements and signage.*

Budget: $20,000 in Year 1; in co-operation with RWED, Trade and Investment's Arts and Crafts Initiative.

Rationale: Tourists need to understand and appreciate the cultural context they are experiencing. If presented appropriately, this will enhance their enjoyment and experience.

MEASURES:

- Number and quality of facilities with Aboriginal and cultural displays

TARGET 2002:

- Complete an inventory and define the program

TARGET 2006:

- Double the inventory
- Have an annual awards event in place

POTENTIAL PARTNERS:

- NWT Chamber of Commerce

INITIATIVE #3:

Use major new events as focal points for Regional product development and promotion and assist with the promotion of existing key community events.

- *Develop a small series of new high profile events such as a long-distance canoe marathon and the Canadian Championship Dog Derby.*
- *Assist Regions and event managers, and partner in the development of lure brochures and videos, and targeted ad placements e.g., The Great Northern Arts Festival, Folk on the Rocks, etc.*

Budget: $75,000 for development and promotion.

Rationale: Events serve as major points for concentrating media interest and gaining publicity. Events can also create awareness of an attraction and service, which can be made available to travellers throughout the season.

If well publicized, key events are a major tourist attraction. The NWT already has a few high quality events that can draw greater numbers of visitors as well as encourage the creation of new events. They can also act as a focal point for new product and service development in the vicinity of the event.

MEASURES:

- Number of new and/or expanded events
- Social and economic impact of events
- Number and variety of promotional materials

TARGET 2002:

- Identification and evaluation of existing and potential events
- Launch of one minor pilot event
- Develop and design a promotions program for community events

TARGET 2006:

- Establishment of one major and two minor events with increased visitation
- Well developed promotional material for most community events

POTENTIAL PARTNERS:

- Private Industry
- NWT Chamber of Commerce
- NWT Association of Municipalities
- Heritage Canada

INITIATIVE #4:

Improve existing parks and establish new parks by building on the guidance provided by the *NWT Tourism Strategy* and the *NWT Protected Areas Strategy*.

- *Encourage new park establishment through the Protected Areas Strategy.*
- *Invest Parks and Tourism capital budgets strategically to enhance public services and attractions, based on demand and capacity.*
- *Improve roadside services along the Dempster Highway and Deh Cho loop highway systems in association with Yukon, Alberta and B.C. highways. Planned improvements to the B.C. portion of the Liard Highway present an immediate opportunity.*

Budget: funds identified annually in RWED capital budget and protected areas budget.

Rationale: Parks and Protected Areas are increasingly important across Canada as destinations, recreation and services. Natural and cultural landscapes in northern parks are consistently used as major elements of image and brand promotions. Certain markets such as RV travellers and German travellers generally draw heavily on parks. Finally, these also help NWT residents spend more of their leisure time and money in the NWT.

MEASURES:

- Number of new, expanded or upgraded parks

TARGET 2002:

- Advance three new initiatives

TARGET 2006:

- Twenty-five per cent (25%) increase in land area, while maintaining current high satisfaction levels

POTENTIAL PARTNERS:

- DIAND
- Parks Canada
- World Wildlife Fund
- Aboriginal Organizations

INITIATIVE #5:

Build upon the current strength of the hunting and fishing sector, as these provide important economic contributions due to high individual expenditures.

- *Strive to increase quotas available for hunting operations.*
- *Lobby the Canadian Tourism Commission (CTC) to offer partnership initiatives in support of this sector.*
- *Continue to research and manage major game species and facilitate establishment of CTC Product Clubs.*
- *Organize an Annual Premier Event to promote trophy hunting.*

Budget: $40,000 to explore product club opportunities through CTC

Rationale: This sector makes a strong economic contribution due to the high fees paid by clients particularly for big game species. Currently, hunts are sold well in advance so the main constraint to growth is the availability of tags for sale through sports hunts.

MEASURES:

- Levels of use and revenue

TARGET 2002:

- CTC agreement to promote hunting
- Define a Premier's Event to promote hunting

TARGET 2006:

- Increase revenues by 10% from increased fees and quotas

POTENTIAL PARTNERS:

- Private Industry
- RWED, Wildlife and Fisheries
- Outfitters / Guides Associations

Initiative #6:

Provide design-planning assistance to municipalities in support of community beautification and interpretative signage.

- *Provide design advice and assistance and information on appropriate funding programs.*

Budget: $25,000 transportation / material.

Rationale: Communities play a major role as service centres and occasionally attractions, particularly to road travellers. A first step to building their potential as attractions is to make communities attractive and welcoming. Signs that incorporate local flavour, roads free of litter, restored historical buildings, trail development and waterfront enhancements are examples of ways to invite the visitor into a community.

MEASURES:

- Number of communities served
- Number of clients directed to funding programs

TARGET 2002:

- Communicate program and launch one pilot project

TARGET 2006:

- Five communities with improved image and services
- National program dollars allocated to NWT

POTENTIAL PARTNERS:

- MACA
- Association of Municipalities

INITIATIVE #7:

Support local artists and cultivate a partnership between tourism, and arts and crafts.

- *Develop and implement cross-over products and promotions with RWED Trade and Investment.*

Budget: $15,000 joint promotion.

Rationale: Aboriginal culture and locally produced arts and crafts, have a strong appeal to our visitors. The tourism industry offers a focal point for arts and crafts production and distribution. By strengthening the link between tourism and arts and crafts, there is an opportunity to increase local sales, as well as promote a new NWT brand through artistic representation of northern themes, motifs and images.

MEASURES:

- Sales of arts and crafts to tourists
- Use of arts and crafts in tourism merchandising, visitor centres and interpretative displays

TARGET 2002:

- Host workshop with arts and crafts producers to set directions

TARGET 2006:

- Increase sales of arts and crafts to visitors by 10%
- Incorporate arts and crafts material into tourism media and Internet sites

POTENTIAL PARTNERS:

- Private produces
- Development Corporations
- RWED, Trade and Investment

INITIATIVE #8:

Work with RWED's Diamond Division on displays and facilities to interpret the diamond industry.

- *Explore option to tour diamond related sites and incorporate diamond imagery into tourism material.*
- *Incorporate diamond imagery into tourism products and promotions*

Budget: $15,000 for display development.

Rationale: The NWT is presently the only place in Canada that mines diamonds, a fact that can play a strong role in positioning the NWT as a unique northern destination. Mining tourism has been very successful in other parts of Canada, and NWT visitors have already expressed an interest in wanting to learn more about the diamond industry here.

Diamond interpretation will support our work in developing a new brand for the territory. We can capitalize on the newness of the industry, and the powerful associations of rarity, beauty and purity that diamonds hold when we build our new NWT brand.

MEASURES:

- Number and quality of promotional displays and facilities
- Venues used for promotions

TARGET 2002:

- A joint plan with the Diamonds Division, GNWT

TARGET 2006:

- A permanent display facility with associated outreach and travelling displays used in trade shows and other public venues

POTENTIAL PARTNERS:

- Private Industry
- RWED, Diamonds

INITIATIVE #9:

Work with the Canadian Tourism Commission on their new program to build an educational/learning niche for Canada.

- *Explore opportunities for Japanese cross-cultural and English as a Second Language (ESL) experiences with tourism operators and training institutions such as Aurora College.*

  - *Begin by identifying potential support facilities and interested instructors.*

  Budget: $10,000 "fam" trip.

- *Investigate the potential of an in-house educational tourism package to give visitors a "behind-the-scenes" look at the unique projects and activities many RWED staff are involved with (e.g. fire fighting, polar bear studies, water quality studies).*

Rationale: Research shows that more and more tourists are seeking learning travel experiences that are authentic, not fabricated. A recent CTC study confirms this specifically for Japanese tourists who are interested in learning English and local way of life. By responding to their needs and interests, we continue to build Japanese tourism in the NWT.

Accompanying various RWED staff on fieldwork projects is an ideal hands-on learning opportunity. At relatively low cost, this kind of in-house offering provides a new and unique NWT tourism product.

MEASURES:

- Number of new educational products

TARGET 2002:

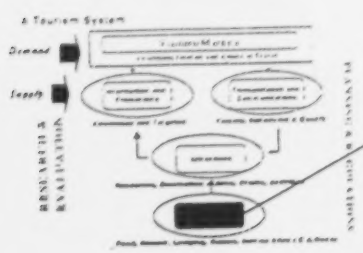
- Familiarization tour for educational tourism operations plus market intelligence information to NWT operators

TARGET 2006:

- Two educational / learning products of long duration (longer than six weeks)
- Five educational/learning products of short duration
- (fewer than five days)
- Establish base line for initiative with a target of 30 people

POTENTIAL PARTNERS:

- Canadian Tourism Commission
- NWT Arctic Tourism



Services

Services are all of the tours, hotels, guides, banks and store that provide tourists with their basic needs. Services also connect the tourist with the attractions.

INITIATIVE #10:

Encourage in-bound operator/travel agent capacity in the NWT and in strategic national or international markets.

- *Work to set up NWT affiliated in-bound travel agent capacity through the provision of NWT materials and specialist training.*

Budget: $10,000

Rationale: Many of the operators in the NWT are small and lack the networks and systems to individually promote themselves. In-bound operators either in the NWT or working through gateways such as Edmonton can organize a cluster of activities and attractions for the benefit of small operators.

MEASURES:

- Number of in-bound operators

TARGET 2002:

- Offer NWT specialist program to encourage establishment of in-bound operators

TARGET 2006:

- Two new NWT operators and two external operators

POTENTIAL PARTNERS:

- NWT Arctic Tourism

INITIATIVE #11:

Work closely with Education, Culture and Employment (ECE), Aurora College, NWT Arctic Tourism and others to ensure tourism training programs match industry needs.

- *Partner to ensure a tourism training co-ordinating function/ training consortium is in place to both liase with Canadian Tourism Human Resource Council and schedule NWT tourism training courses and initiatives.*
- *Hold two NorthernMost Host and one Japan SuperHost course.*

Budget: $50,000

Rationale: Training is needed to raise both the quality of hospitality service and the profile of tourism in the NWT. Excellence of service and responsiveness to visitor needs and expectations is critical to tourism growth, particularly in consideration of the importance of word-of-mouth in bringing tourists to a destination.

MEASURES:

- Number of tourism training courses available and delivered
- Number of course graduates working in tourism

TARGET 2002:

- Offer at least one training course in each region
- Hold NorthernMost Host and Japan SuperHost

TARGET 2006:

- 10 tourism training courses across the NWT
- Course evaluations done by ECE
- Majority of graduates successfully employed

POTENTIAL PARTNERS:

- NWT Arctic Tourism
- Canadian Tourism and Hospitality Research Council

INITIATIVE #12:

Establish a Convention Bureau / organization to co-ordinate functions needed to attract the convention market (accommodations, restaurants, and booking facilities).

- *Set up a working group to explore ideas and alternatives that could include RWED Trade and Investment, the Chamber of Commerce, NWT Hotel Association, NWT Arctic Tourism, regional associations or municipalities.*

Budget: $20,000 for inventory and co-operative marketing plan. Subsequent operation funds could match industry and government funds.

Rationale: There is a growing interest in holding conventions and conferences in new and exotic locations. A Convention Bureau of key individuals is needed to expedite meetings, coordinate packages, actively seek out opportunities and promote the NWT as a unique destination of choice. Eventually this may require building and site development.

MEASURES:

- Number of conventions brought into the NWT in and beyond Yellowknife

TARGET 2002:

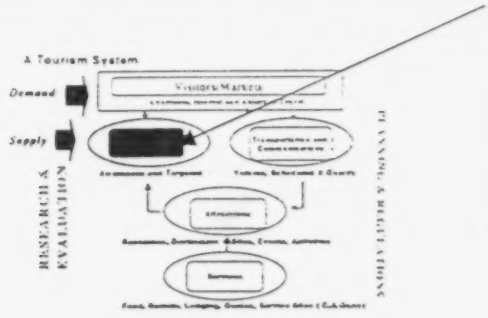
- Consensus on form and structure for a Convention Bureau / organization
- Formation of Bureau

TARGET 2006:

- Fully functioning Bureau / organization with defined membership and roles

POTENTIAL PARTNERS:

- Private Industry
- Chamber of Commerce
- NWT Arctic Tourism



Information and Promotion

This includes all of the media relations, media advertisements, maps, magazines, travel guides and displays that provide the tourist with encouragement, awareness and knowledge.

INITIATIVE #13:

Work in partnership with Chambers of Commerce, NWT Arctic Tourism and others, on implementing a quality assessment system for tourism services in the NWT.

- *Set up a working group to explore and test options for a quality assessment system.*
- *Encourage government staff on travel to undertake evaluations to set a baseline for subsequent monitoring*

Budget: $10,000 for a feasibility study.

Rationale: A quality assessment system can motivate operators to raise the level of service, thereby encouraging tourism growth in the NWT. It also improves visitor satisfaction levels by matching expectations with services. Quantitative information detailing an establishment's amenities can improve communications by letting potential visitors know in advance what a particular establishment has to offer.

MEASURES:

- Existence of an assessment system

TARGET 2002:

- Identify implementation mechanism and research alternatives

TARGET 2006:

- All tourism establishments rated through readily available media

POTENTIAL PARTNERS:

- Chamber of Commerce
- NWT Arctic Tourism

INITIATIVE #14:

In partnership/consultation with industry stakeholders and regions, develop and implement new NWT brand/image awareness media campaign to publicly convey the essential qualities and identity of the NWT.

- *Develop new image options, focus test options, implement awareness programs and evaluate impact.*
- *Implement a co-ordinated awareness campaign with other GNWT Divisions and Departments, and municipalities and regions to facilitate consistent use of new NWT brand and image (e.g. arts and crafts, diamonds).*

  Budget: $250,000. This budget would decline in future years once the initial planning is in place and start-up initiative is completed.

- *Undertake strategic slide / image acquisition focused on developing and expanding an image bank specific to an awareness campaign / branding, as well as parks promotion.*

  - *Identify image needs.*
  - *Digitize image / slide library.*
  - *Update / upgrade trade show displays/materials.*
  - *Communicate and provide new image materials to tourism industry, marketing partners and stakeholders for use in their initiatives.*

  Budget: $25,000 per year.

- *Support new media writers per region per year objective.*

  Budget: All regions total $25,000 per year.

TOTAL BUDGET: $300,000

Rationale: The new NWT must develop a solid and distinct identity that is instantly recognizable in the marketplace. We will need to decide upon a set of images and themes that represent our territory and actively promote them in order to put the NWT on the map.

MEASURES:

- Awareness of the NWT in the tourism marketplace

TARGET 2002:

- Develop an image campaign that includes rigorous evaluation criteria to provide ongoing feedback.

TARGET 2006:

- NWT images consistently used in all displays
- 75% recognition rate among North American targeted markets
- 25% recognition rate in prime international markets

POTENTIAL PARTNERS:

- NWT Arctic Tourism
- RWED
- GNWT - Executive

INITIATIVE #15:

Increase funds provided to NWT Arctic Tourism.

- *Consolidate and increase contributions to NWT Arctic Tourism from current levels up to an initial total of $1 million*. This money will be provided through an initial four-to-one RWED / NWTAT partnership i.e. RWED will contribute $1 million while the tourism industry would contribute or raise $200,000 (from non-RWED sources). The RWED proportion could grow annually as the proportion of industry contributions increases to 40% in Year 5, as illustrated in the following table.*
- *RWED to provide direction on some focus areas including eco-tourism and Aboriginal cultural tourism.*

Figure 2:

PROPOSED TARGETED INDUSTRY MARKETING BUDGETS ($)

Year	RWED	NWTAT*	Total
2001/2002	1,000,000	200,000	1,200,000
202002/03	1,200,000	300,000	1,500,000
2003/04	1,400,000	420,000	1,820,000
2004/05	1,600,000	560,000	2,160,000
2005/2006	1,800,000	720,000	2,520,000

This would increase budgets while encouraging real private sector partnership and buy-in.

- NOTE: A founding principle of NWT Arctic Tourism was that up to 50% of funding would be raised by 2000.

Budget: $1.8 million In the first year, increase current $900,000 support by $100,000 to $1 million. Over five years, allocate an additional $800,000. This increase would be primarily funded through revenues from the Hotel Tax.

Rationale: Marketing efforts need to be expanded to encourage increased visitation. An increasing proportion of funds should be drawn from other sources beyond RWED. Regional initiatives will be supported by having some marketing dollars administered separately by regional working groups.

MEASURES:

- Level of funding for marketing

TARGET 2002:

- Funds as shown in table
- Conversion studies show a 5% response rate to media promotion

TARGET 2006:

- Funds as shown in table
- Conversion studies show a 10% response rate to media promotion

POTENTIAL PARTNERS:

- NWT Arctic Tourism

INITIATIVE 16:

Increase Regional marketing funds.

- *Increase funds to each region for local co-operative programs. Regions to divide $200,000 annually for regional marketing. The disbursement of these funds should be determined by regionally based working groups and may include other partnerships with Government or NWT Arctic Tourism.*

Budget: $200,000 in addition to current funds. Can be partnered with Industry or NWT Arctic Tourism

Rationale: Each region of the NWT has its own distinctive character which can be promoted under the overall image branding strategy and the NWT-wide campaign. This will help spread travel across regions.

MEASURES:

- Conversion rates on promotional material

TARGET 2002:

- Regional programs identified

TARGET 2006:

- 10.- 20 %conversion of promotion resulting on contact
- 5% resulting visitation

Potential Partners:

- Industry
- Government of Canada

INITIATIVE 17:

Design and conduct an Internet marketing program

- *Initial pilot (likely to be targeted banner ads) would be related to the park system as preliminary images and materials are now available.*
- *Improve park-related Internet site with information and reservation component*

Budget: $10,000.

Rationale: The Internet is fast becoming a prime source of information. A high percentage of our target market is well educated and likely to have access to computers and the Internet.

MEASURES:

- Number of inquiries to site from banner ads
- Assessment of the quality of pilot site using focus groups

TARGET 2002:

- Pilot project on NWT parks

TARGET 2006:

- Full Internet marketing program in place

POTENTIAL PARTNERS:

- Parks Canada

INITIATIVE #15:

Target park marketing initiatives to highly concentrated niche markets.

- *Co-operate with Yukon, Nunavut and Parks Canada to promote Heritage Rivers and northern parks.*
- *Co-operate with the private sector on joint initiatives to adapt parks to targeted markets (i.e. Japan and Germany).*
- *Develop a Parks Marketing Plan focused on niche markets. Research has indicated that good markets are:*
  - *Automobile Associations in western Canada.*
  - *Teachers' Associations in Alberta.*
  - *Travellers in Alaska and Yukon*

Budget: $40,000 per annum as the GNWT, RWED contribution to a larger $200,000 shared project.

Rationale: Exit surveys and park-based surveys have indicated that these travellers make heavy use of automobile clubs. The largest definable group of non-resident park users is currently Alberta teachers, and promotion in their newsletters is expected to be highly cost effective. Finally, Alaska and Yukon are already major sources of tourists, and promoting resident travel to nearby locations is cost effective. As well, promotion in these areas will reach the many German, Austrian and Swiss travellers there who may also be inclined to visit other northern park systems.

MEASURES:

- Percentage change in visitation from these markets

TARGET 2002:

- Develop targeted marketing campaign
- Co-ordinate plans for improvements

TARGET 2006:

- 50% increase in visitors from these targeted markets
- Ten per cent (10%) increase in use and capacity

POTENTIAL PARTNERS:

- Parks Canada

INITIATIVE #19:

Encourage film production focused on NWT attractions (e.g. working with various production companies)

- *Work with NWT film commission to identify film makers' needs*
- Examples of programs could be RV *Vacation Adventures, Arctic Jungle Safaris, Up Here, Great Canadian Rivers,* and *On the Road Again.*
- *With Regions and NWT Film Commission, seek three new tourism/image related film productions annually.*

Budget: $50,000 as a start up budget

Rationale: Television broadcasts and films are powerful ways to promote destinations, attractions and events. By targeting particular programs, we can reach audiences we are trying to attract such as those interested in adventure, ecotourism, or road travel.

MEASURES:

- Number of film/media initiatives

TARGET 2002:

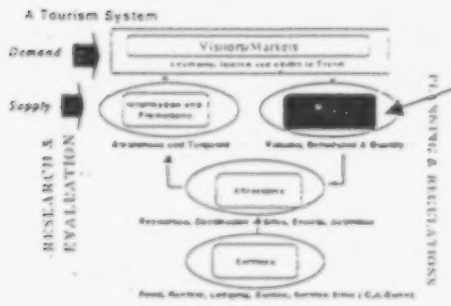
- One film/media production

TARGET 2006:

- Five films / media productions
- Once produced, audience reach and media value can be estimated

POTENTIAL PARTNERS:

- Private Industry
- RWED - Trade and Investment



Transportation and Communications

This is the means by which tourists and their service needs are moved physically and electronically.

INITIATIVE #20:

Partner with resource and transportation planners on new road, airport and communication improvements that benefit tourism.

- *Participate in such initiatives as road planning teams along the Mackenzie Valley, Air Route and marketing studies*

BUDGET: $20,000 to be used to partner with DOT and others

Rationale: Strengthening key infrastructure such as roads and highways is critical to increasing visitation to the NWT. Creating highway loops, for example, offers travellers alternative routes home and a unique northern experience allowing travellers to make a circle crossing Alaska, Yukon, BC or Alberta as well as the NWT. These kinds of initiatives require co-ordination of jurisdictions and resources.

MEASURES:

- The number of tourism related improvements evident in projects

TARGET 2002:

- Establishment of inter-departmental and inter-jurisdictional planning teams

TARGET 2006:

- An increase in tourism related highway infrastructure and services

POTENTIAL PARTNERS:

- GNWT - Department of Transportation

INITIATIVE #21:

Co-ordinate road travel planning with Yukon, Northern Alberta, northern BC, and Alaska.

- *Participate in a revitalized Deh Cho connection working group*
- *Join the western provinces, Yukon and Alaska in the recently expanded organization Tourism North.*

Budget: $10,000 in first year to participate in project meetings

Rationale: Northern jurisdictions share many of the same tourism challenges and realities as the NWT faces. Joint co-ordination is cost effective and beneficial to all parties. Routes can be co-ordinated and marketed to bring travellers into different jurisdictions.

MEASURES:

- Extent and type of promotional materials and associated marketplace events

TARGET 2002:

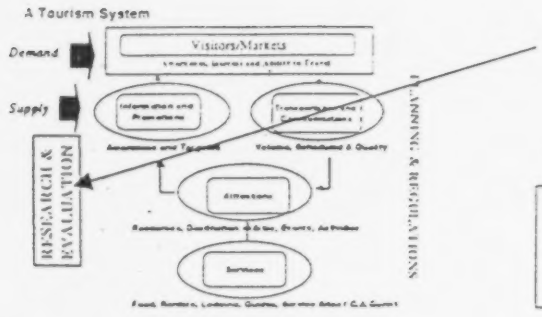
- Establish teams

TARGET 2006:

- Co-operative marketing initiatives with adjacent jurisdictions

POTENTIAL PARTNERS:

- Western provinces and Yukon



Planning and Regulations

These set the broad direction for development and seek to ensure safety and quality.

INITIATIVE #22:

Explore options for alternate mechanisms for delivering tourism programs, such as a tourism agency, authority or department.

- *Review existing organizational structure for tourism.*
- *Prepare an options paper and discuss alternatives.*

Budget: $10,000 to support research costs.

Rationale: Improvements in the delivery of tourism programs, co-ordination among the many players in the tourism industry, and clarification of roles and responsibilities of the various agencies involved in tourism, will mean greater efficiency and focus in direction.

MEASURES:

- Document exploring options

TARGET 2002:

- Discussion paper

TARGET 2006:

- Better organized tourism co-ordination

POTENTIAL PARTNERS:

- Canadian Tourism Commission
- NWT Arctic Tourism
- NWT Chamber of Commerce
- NWT Association of Municipalities

INITIATIVE #23:

Promote the value of tourism to communities and encourage the development of Regional tourism plans.

- *Conduct a communication / awareness program*
  - *Distribute newsletters to residents, operators and interested organizations.*
  - *Work with media to increase coverage of stories related to tourism.*
- *Sponsor annual workshops in each region for operators and community leaders to discuss issues and provide information related to tourism in order to build local capacity*

Budget: $25,000.

Rationale: Tourism should benefit all regions and communities in the NWT. To distribute the economic and social benefits tourism can bring, communities have to be aware of the opportunities and ready to pursue them. Newsletters and media coverage can provide information and create an interest to move tourism forward in a community's agenda.

Regional workshops will strengthen the tourism planning process, identify joint opportunities, and provide support to the regions as they develop their initiatives.

MEASURES:

- Number of regional tourism plans
- Number of workshops, attendance and participant feedback

TARGET 2002:

- Prepare promotional materials to encourage planning
- Workshops held in two regions

TARGET 2006:

- Workshops in each region as part of annual tourism planning and co-ordination
- New regional partnerships and initiatives formed
- Communities value, use and prepare tourism plans

POTENTIAL PARTNERS:

- NWT Association of Municipalities
- GNWT - MACA

INITIATIVE #24:

Increase GNWT revenue generation through a range of financial initiatives that include a hotel accommodation tax, redistribution of hunting and fishing fees, and an expanded parks merchandising program.

- *Discuss options, implement measures and evaluate impact on industry.*
- *Prepare business plan for parks merchandising program.*

Budget: $10,000.

Rationale: Additional revenues are needed to undertake new initiatives to advance tourism in the NWT. Moreover, NWT tourism faces competition from other jurisdictions, which are better resourced. As many avenues as possible to raise revenues should be explored to extend the base tourism budget.

MEASURES:

- Percentage increase in revenue

TARGET 2002:

- Implement Hotel Accommodation Tax and continue to improve current revenue initiatives

TARGET 2006:

- Double revenues over 2000 levels

POTENTIAL PARTNERS:

- GNWT - Financial Management Board Secretariat

INITIATIVE #25:

Review and revise legislation (*Parks Act, and the Tourism and Travel Act* and *Regulations)* to encourage strategic investment, and manage development to sustain culture and the environment.

- *Consult with stakeholders and work with RWED Policy and Planning to simplify and revise legislation to match current and impending requirements.*

  Budget: $10,000 communication cost.

- *Review Wildlife Act to identify shared opportunities for environmental management and improved service.*

Rationale: We need to look at any obstacles that stand in the way of tourism growth in the NWT and change what we can. New priorities and issues make it necessary to revise existing legislation. New regulation will give us tools to protect and promote natural and cultural destinations, manage tourism activity in remote areas beyond communities, and make it easier for new tourism businesses to start up or expand.

MEASURES:

- Improved conservation and management measures

TARGET 2002:

- Draft legislative changes to improve management
- Re-engineer legislation to simplify the process for tourism licensing

TARGET 2006:

- Legislation revised

POTENTIAL PARTNERS:

- RWED, Policy, Legislation & Communications
- GNWT, Justice

INITIATIVE #26:

Encourage meaningful federal participation in advancing tourism development in the North. (The major players are Industry Canada, which oversees the CTC, DIAND, and Parks Canada)

- *Federal government to become meaningful "funding" partners in NWT tourism development programs*

Rationale: Recent decline in the level of federal support for the development of tourism in the NWT has weakened our position in the marketplace, and has likely had a negative impact on the growth of the industry. We need to encourage the federal government to renew its support to NWT tourism, in a more equitable manner compared to southern jurisdictions such as Quebec and the Atlantic Provinces.

MEASURES:

- Extent of federal involvement as evidenced by time and money

TARGET 2002:

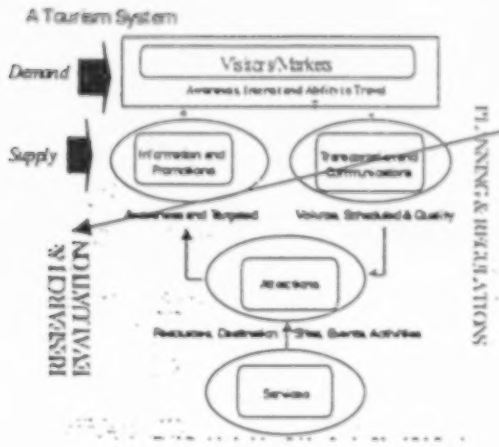
- Draft agreement with federal partners

TARGET 2006:

- Federal government provides sustaining funds through a formal program

POTENTIAL PARTNERS:

- Industry Canada
- DIAND



Research and Evaluation

These provide the feedback needed to plan, develop and service the travel market.

INITIATIVE #27:

Research and deliver market intelligence to stakeholders; evaluate initiatives and prepare for extensive five-year exit survey.

- *Develop a research / information exchange component to RWED's web site.*
- *Establish a marketing research group*
- *Evaluate effectiveness of the initiatives proposed in this plan*

Budget: $75,000 in research funds

Rationale: A multi-year planning initiative requires a feedback mechanism to annually adjust efforts. Building communication networks among the stakeholders in the tourism industry in the NWT will improve co-ordination of initiatives.

MEASURES:

- Acquire:
  - Key visitor demographics (number, age, sex, expenditures, etc.)
  - Consumer satisfaction surveys
  - Hotel occupancy rates
  - Visitation patterns in parks and visitor centres
  - User preference studies
  - Industry supply survey
  - Comprehensive travel demand

TARGET 2002:

- Prepare research plan in priority areas
- Undertake advance planning for Exit Survey

TARGET 2006:

- Credible research program in place and data consistently collected and communicated.

POTENTIAL PARTNERS:

- RWED - Trade and Investment
- GNWT - Financial Management Board Secretariat
- Canadian Tourism Commission - Research

INITIATIVE #28:

Explore and test new markets (e.g. Japan, Korea, and Germany/Switzerland). Support efforts to reach new markets and nurture existing markets.

- *Invest new resources strategically in trade events and monitor impact over a three-year period*
  - *Expand Asian-Pacific market –schedule government attendance at Kanata*
  - *Explore German / Swiss markets—test ITB (main German trade show) and Swiss trade events*
  - *Co-operate with CTC's Product Development /Eco Adventure staff to explore the world-wide adventure travel market (particularly the NWT market for hiking, canoeing and kayaking, wildlife viewing and related activities)*

Budget: $100,000

Rationale: Cultivating new markets is critical to tourism growth. This is a long-term process that involves research and careful targeting of potential markets with an interest in the kinds of opportunities the NWT has to offer.

For instance, the German/Swiss market is motivated by adventure water travel experiences. The Yukon has been attracting significant numbers of tourists from Germany and Switzerland who are beginning to explore new experiences further afield, notably in the Inuvik region.

Once new markets are identified, marketing campaigns have to be created to match needs and interests identified through research. A government presence is also an asset in many emerging Asian markets. Once established, markets must be nurtured through continual enhancement of attractions, services, transportation and communications, information and promotions. For instance, our Japanese market for Aurora viewing is now well established. Additional research, communications and promotions will enable us to enhance this existing market by broadening the range of activities Japanese tourists could participate in. Researching other Asian markets such as the Korean market may identify similar niche interests and establish new markets.

MEASURES:

- Number of new market initiatives

TARGET 2002:

- Launch initiatives in two new market places

TARGET 2006:

- Firmly established links between new market s and NWT operators

Potential Partners:

- Canadian Tourism Commission
- NWT Arctic Tourism

Budget and Revenue

GENERAL REVENUES

The largest component of the tourism budget of approximately 4 million dollars comes from the GNWT's annual budget allocation to RWED. This number dropped several years ago but for the last few years has been stable.

Current financial requirements for social envelope programs that include education, health, and wellness programs, mean that it is unlikely that significantly more new funds can be found from general revenues.

Nevertheless this provides an operating base for RWED's tourism and park programs. Over and above the funds specifically allocated to RWED Parks and Tourism, are the funds set aside in the Business Development Fund (BDF). Beginning in 2000, annual tourism expenditures will be summarized annually to improve co-ordination and program planning.

PARTNERSHIPS

RWED does enter into partnerships to concentrate additional dollars. Partnerships can be with industry, other governments and departments, the Canadian Tourism Commission, and other organizations. Recent examples include the co-operative tourism partnership with Nunavut and Yukon, the cross Canada Federal-Provincial Parks Council, the Deh Cho connection, the Trans Canada Trail, and the Compaq trail data base. This is an important growth area that needs more attention. To profile this emerging area, an annual report will begin in 2000 describing the range of partnership activities currently being pursued by RWED.

FEES

Contractors operating parks currently retain Park permits. As a result, the permits pay a portion of the contract costs thereby reducing RWED expenditures and indirectly increasing the budget. Fees were raised in 2000 and should exceed $300,000 in 2000. Totals collected are annually tracked on a park by park basis.

Fishing license fees should also be re-examined. Currently, people over 65 years of age pay no fee for a license. As well, tourist revenue might be increased if there were a new three-day license.

MERCHANDISING

RWED's parks program was one of the first in Canada to launch a merchandising initiative. This has since been copied by other park agencies. Products are developed and sold which support the parks program and provide useful tools for park users. In 2000, gross sales are expected to top $100,000. This income is annually tracked by item.

NEW REVENUES

The largest planned source of new revenues to support this strategy and annual plan is the proposed NWT Hotel Tax. This is expected to initially generate 1 million dollars in revenue per year. As tourism numbers and services expand, this should generate increasing revenues. If the overall tourism strategy and plan are effective, hotel use will increase as will this source of revenues. The source and destination of funds raised through this tax will be identified annually through annual revisions to this workplan.

FUTURE NEW SOURCES OF REVENUES

There are other revenues that relate to tourism including operators license fees, hunting and fishing licenses, gas taxes, liquor taxes and others. Taxes not currently raised in the NWT that could relate to tourism, are items such as sales taxes, airport improvement fees and road tolls. During the life of this five year strategy, each of these should be examined to see how they might be improved to strengthen the quality of tourism services and the quantity of funds available to the government or to develop park and tourism programs.

Conclusion

The new tourism strategy emphasizes that there we will need to strengthen the tourism programs we now have and create new ones to increase the benefits that tourism currently brings to the Northwest Territories. We will need to position ourselves in the marketplace with a new image that distinguishes ourselves from other northern destinations, and establishes our identity. For tourism to grow in our territory, additional resources and new initiatives are needed, combined with flexible, creative implementation as well as regular evaluation.

This Parks and Tourism workplan reflects the new initiatives that need to be taken if we are to see growth in the tourism sector. The budget required to reach these growth objectives is the existing Parks and Tourism budget of just over $4 million for essential services, plus an additional $1.5 million.